

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 854 - SB 1532

March 20, 2021

SUMMARY OF BILL: Extends, from March 1 to March 15, the deadline for a property owner to file applications with the Assessor seeking classification of a property as agricultural, forest, or open space for purposes of property tax assessment. Removes a prohibition against the issuance of a refund of rollback taxes which have been collected in error in certain circumstances.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Recurring decreases in local government revenue may occur; however, due to multiple unknown variables, the extent and timing of such decreases cannot be determined with reasonable certainty.

Assumptions:

- Extending the filing deadline for such applications is not estimated to result in a significant change in the number of timely applications received by the Assessor in any given fiscal year; therefore, any fiscal impact to local government revenue is estimated to be not significant.
- Pursuant to Tenn. Code Ann. § 67-5-1008(d), rollback taxes are assessed against a property owner when property previously classified as agricultural, forest, or open space becomes disqualified from such classification for various reasons, including the sale of the property.
- Based on information provided by the Comptroller of the Treasury, in instances where property is disqualified due to the sale of the property, the buyer or seller of the property may request the other party pay the rollback taxes due as a condition of sale. If it is later determined that the rollback taxes were assessed in error, taxes which were collected from such buyer or seller are not eligible to be refunded.
- Removing the prohibition on the issuance of refunds for rollback taxes in such instances may result in a recurring decrease to local revenue; however, the extent and timing of any such decrease in local revenue cannot be determined due to multiple unknown factors such as the number of instances in which such taxes will be assessed in error, the extent of taxes which will be collected from buyers and sellers, and the extent of instances in which a refund will be requested.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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